

Grant Monitoring Standards and Guidelines for Hiring and Redeployment

Appendix B: Examples of Compliance/Non-Compliance Cases



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Source of Matching Funds

EXAMPLE 1.

When audited, a police department shows that it paid its 25% local match to a COPS MORE grant with funds from the department's "equipment and technology" line item.

Possible Source of Matching Funds Violation. If grantees include the source of the local match in the current year's operating budget, it must be intentionally budgeted in anticipation of the grant award or previously budgeted as reserve or discretionary monies; it may not have been previously budgeted for specific law enforcement purposes and reallocated to pay the COPS grant local match.

Investigation and Analysis. The department provided a memorandum and related budget documents from its city budget office that showed the city had provided new, additional local funds to the department specifically to pay for the local match to the COPS grant. Because the MORE grant application requested funding for equipment, the city chose to place the required match into the "equipment and technology" budget line item. Further, other documentation revealed that the city provided the additional local funding for the department in anticipation of the grant award.

Final Resolution. The grantee is in compliance with the source of matching funds requirement.

Supplanting

EXAMPLE 1.

The department has one open locally-funded full-time position. This position remains vacant while the city continues to hire COPS-funded officers.

Possible Supplanting Violation. In assessing the presence of supplanting, it is expected that the grantee will continue to hire new officers at a level consistent with the recent historical practice and take positive steps to fill all vacancies resulting from attrition. These steps must be taken in addition to hiring the officers funded with the COPS grant. A grant recipient may show, however, based on particular local fiscal or other conditions, that



it is not possible to take all of these steps, or that it would have taken the same action that raises a question of supplanting even if the COPS grant had not been awarded.

Investigation and Analysis. The city has been deemed to be in a state of financial emergency. Enough debt has been accumulated on behalf of the city such that it needs to procure a \$300,000 loan simply to continue to exist. Further, it is understood that the entire city personnel staff has been laid off except for the City Manager and the remaining police personnel. The city provides documentation demonstrating that all departments, including the police department, are under a citywide hiring freeze.

Final Resolution. The grantee has complied with the nonsupplanting requirements. The vacancy is a result of a citywide hiring freeze that is unrelated to the COPS grant.

EXAMPLE 2.

Before receiving a COPS Hiring grant, a city passes a tax increase for the specific purpose of adding 10 sworn officer positions to the police department. At the time of the grant award, the department has not hired any new officers for the additional 10 positions. Upon receiving grant funding, the department hires 10 new sworn officers and pays for the additional positions with COPS grant funds. The city then reduces the taxes the following year to "return" the previously enacted tax increase to the citizens.

Possible Supplanting Violation. The department is required to hire all new, additional officer positions for which the city funds would be budgeted in the absence of the grant in addition to hiring the additional COPS grant positions. The city may not reduce the department's budget for sworn personnel as a direct result of the receipt of Hiring grant funds.

Investigation and Analysis. The city committed additional local funds to hire 10 new sworn officers for the department before the COPS grant award was funded. This commitment of local funding increased the city's baseline level of locally-funded sworn personnel by the additional 10 positions. The fact that the department has not filled these positions at the award date of the grant is irrelevant to the nonsupplanting analysis.



Final Resolution. The city violated the nonsupplanting requirement by using grant funds to replace local funds when hiring the 10 officers. The city had specifically instituted a tax increase for the purpose of hiring 10 new, additional sworn officers, and once the officers were hired, after the award of grant funding, the city "returned" the tax increase to the citizens.

The city ultimately agreed that it supplanted the local funds initially raised through increased taxes with COPS grant funds. The city agreed to repay the grant funds to the COPS Office to remedy the nonsupplanting violation.

EXAMPLE 3.

A department receives a MORE grant to purchase 10 mobile data terminals (MDTs). The grant award start date is October 1, 2002. When audited, the department provides copies of the purchase orders for the MDTs, which were signed on June 1, 2002. The department did not pay for the terminals until November 1, 2002, and the MDTs were not delivered to the department until December 1, 2002.

Possible Supplanting Violation. All COPS MORE grant funds must be expended on civilians hired or equipment purchased following the award date of the COPS grant. If personnel are recruited or hired before the award date of the grant, or if equipment was purchased before the award date, there must be a clear and direct causal link between the hiring or purchase and the anticipation of grant funding. Further, MORE grantees must purchase new, additional equipment and technology that would otherwise not be purchase with State or local funds.

Investigation and Analysis. If the signed purchase order from June 1, 2002 represented a commitment to purchase the MDTs without regard to the availability to COPS grant funding, the date of payment and delivery is irrelevant to supplanting analysis.

The department was unable to provide any supporting documentation to link the signed purchase order of June 1, 2002 to the anticipation of the MORE grant funding. The purchase order itself did not reference the source of funding for the MDT's, and it did not contain any clause that purchase was contingent upon outside factors regarding the source of funding. The department was unable to supply any correspondence between department officials and the vendor to indicate that the MORE funds had been discussed in any way in relation to the signed purchase order. In addition, a May 2002 memorandum from the city manager's office to the department authorized the



department to sign the purchase order with the understanding that the city would pay for the terminals "if the federal grant did not come through."

Final Resolution. The grantee did not comply with the nonsupplanting requirement because it used grant funds to purchase the MDTs pre-award and not in direct anticipation of the award. The violation was confirmed with the memorandum from the city manager stating that the city would pay for the terminals if the COPS Office did not award the department a grant.

The department repaid the COPS MORE grant funds that had been expended on the MDTs.

Financial Reports

EXAMPLE 1.

Records indicate that the grantee is delinquent in submitting financial status reports.

Possible Financial Reporting Violation. A Financial Status Report (SF-269A) must be completed by grantee and returned on a quarterly basis to the COPS Office. The Financial Status Reports request information on monies spent, or accrued, including amounts for Federal expenditures, local matching contributions and the unobligated balance of the award.

Investigation and Analysis. Although there had not been any financial activity on the grantee's behalf for the past two quarters, the financial reports still must be completed and submitted to the COPS Office. The grantee completed one report covering all periods for which it was delinquent (two quarters in this case) and faxed it to the appropriate COPS point of contact.

Final Resolution. The grantee was not in compliance with the financial reporting requirement, but remedied the violation by submitting the updated report. NOTE, however, that if this grantee is audited by the Office of the Inspector General (OIG), the OIG will require the grantee to complete one Financial Status Report for each quarter of the award, rather than the comprehensive (two quarters) report that it filed with the COPS Office.



EXAMPLE 2.

Grantee claims it did not draw down funds in the amount of \$13,897 on 11/13/02 as the Office of the Comptroller's records indicate.

Possible Financial Reporting Violation. Financial Status Report (SF-269A) must be completed by grantee and returned on a quarterly basis to the COPS Office. The Financial Status Reports request information on monies spent including amounts for both the Federal and local match portion of the award.

Investigation and Analysis. Although the grantee does not have any record of the transaction, a previous draw down for the same amount was processed six months earlier, and there were two draw downs from that account, one of which was posted on 11/13/02 according the Office of the Comptroller financial transactions records and the grantee's banking institution. It appears as if the grantee's accounting records are in error and should be adjusted.

Final Resolution. Once the grantee adjusts its accounting records and verifies that its quarterly financial report accurately reflects grant expenditures, then it will be compliant with the financial reporting requirement.

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Appendix C: Grant Threshold Review Dates



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COPS Hiring Grants Program Name	Threshold Supplanting Review Date	Early Hire Review Date
Phase I	October 1, 1994	October 1, 1994
AHEAD	October 1, 1994	October 1, 1994
FAST	October 1, 1994	February 8, 1995
<u>Universal Hiring Program (UHP)</u> <u>COPS in Schools (CIS)</u>		
5/1/03 - 4/30/04 application	May 1, 2003	Award Start Date
5/1/02 - 4/30/03 application	May 1, 2002	Award Start Date
5/1/01 - 4/30/02 application	May 1, 2001	Award Start Date
5/1/00 - 4/30/01 application	May 1, 2000	Award Start Date
5/1/99 - 4/30/00 application	May 1, 1999	Award Start Date
5/1/98 - 4/30/99 application	May 1, 1998	Award Start Date
5/1/97 - 4/30/98 application	May 1, 1997	Award Start Date
5/1/96 - 4/30/97 application	May 1, 1996	Award Start Date
5/1/95 - 4/30/96 application	May 1, 1995	Award Start Date

COPS Redeployment Grants Program Name	Threshold Supplanting Review Date	Early Hire or Purchase Review Date
COPS MORE '95	Application Submission Date	Award Start Date
COPS MORE '96	Application Submission Date	Award Start Date
COPS MORE '98	Application Submission Date	Award Start Date
COPS MORE '00	Application Submission Date	Award Start Date
COPS MORE '01	Application Submission Date	Award Start Date
COPS MORE '02	Application Submission Date	Award Start Date

